

IN THE HIGH COURT OF JUDICATURE, ANDHRA PRADESH  
AT HYDERABAD

(Special Original Jurisdiction)

MONDAY, THE NINETEENTH DAY OF SEPTEMBER  
TWO THOUSAND AND FIVE

PRESENT

THE HON'BLE SRI BILAL NAZKI, THE ACTING CHIEF JUSTICE

and

THE HON'BLE SRI JUSTICE R.SUBHASH REDDY

**WRIT PETITION NO : 10614 of 2005**

**Between:**

Sri Nagineni Jagan Mohan Rao,

S/o N.Sathyanarayana Rao,  
r/o H.No.2-10-1255, Chaitanyapuri,

Karimnagar-505 002.

**..... PETITIONER**

**AND**

1 The District Collector,

Karimnagar District-505 001, and 5 others.

**.....RESPONDENTS**

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**ORDER:** (Per Hon'ble Sri Bilal Nazki, The Acting Chief Justice)

This writ petition was filed challenging the order of the respondent-authorities in giving the lease of sand quarry to respondent No.5. But during the hearing earlier, it came to light that respondent No.5

had not been given any lease, and it was the son of respondent No.5, who had been given the lease. So, he was arrayed as respondent No.6 in this application.

The short case of the petitioner is that tenders were invited for leasehold rights of the sand quarry on 27-12-2002, but work orders were not given to respondent No.6 till 03-03-2005, and on 03-03-2005, the impugned order was passed granting lease in favour of respondent No.6. Petitioner submits that the rates were much lower in 2002 compared to the rates in 2005. Respondent-authorities did not allot the work to respondent No.6, and the respondent No.6 also did not take up the work till 2005, only to get more profits.

Respondent No.6 has filed counter. He has challenged even the *bonafides* of the petitioner, against whom it is stated that several criminal cases are also pending. It is also stated that the petitioner demanded money from respondent No.6. However, it has been denied by the petitioner in his rejoinder.

Respondent-authorities took the plea that although the tender process was finalized in the year 2002, the work could not be allotted till 2005 because the matter was sent to Assistant Director of (Mines and Geology) and Deputy Director, Ground Water Department, for technical advise on 02-01-2003, and they took 18 months to give the technical advice, which is part of the record. Therefore, there was delay. Respondent No.6 had deposited the amount of Rs.8,95,000/-, which was the highest bid offered in the year 2002 itself, and the money was lying all along with the respondent-authorities. In spite of that, respondent No.6 was persuaded to enhance the lease amount from Rs.8,95,000/- to Rs.12,00,000/-, and he is ready to deposit the enhanced amount.

The learned Counsel for the petitioner, however, submits that this contract would fetch much more money, and in adjoining areas, contracts of same nature have fetched more than Rs.40 lakhs. He filed even a third party affidavit stating therein that he is prepared to pay Rs.13 lakhs for the same work.

But, in our view, much blame cannot be placed on respondent No.6, who participated in the bid. He was the highest bidder and deposited the amount in terms of the tender notice in the year 2002 itself, but did not hear anything from the official respondents till 2005. When in 2005, he was called to complete the work, he again agreed to pay Rs.12 lakhs, although he had given a bid of Rs.8,95,000/- only. Therefore, in our view, the equities are in his favour and the petitioner has no case. However, this Court also takes note of the fact that from 2002 to 2005, rates might have been enhanced. For this year, it has been taken care of by asking respondent No.6 to pay Rs.3,05,000/- in addition to the bid amount of Rs.8,95,000/-.

It is also stated that respondent No.6 is entitled to extension of lease beyond one year on an increase of 10%.

Keeping in view, the factual situation of this case and, also the fact that the original tender was floated in the year 2002, with the consent of the parties, we direct that the lease shall not be extended beyond one year in favour of respondent No.6, on 10% increase, but it shall be re-tendered. Respondent No.6 shall be allowed to work for a period of 12 months. The period for which the stay of this Court was operative shall be excluded from the 12 months period, and immediately on completion of 12 months, the tender be issued for the year 2006-07.

With these directions, the Writ Petition is disposed of. No costs.

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**(Bilal Nazki, A.C.J)**

**19<sup>th</sup> September, 2005**

(R.Subhash Reddy, J)

**Note:**

**Furnish CC**

**within one week**

**B/o**

**LUR**

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